

**NOTICE OF REGULAR
MEETING
Montgomery Economic Development Corporation
(MEDC)**

Notice is hereby given that the Board of Directors of the Montgomery Economic Development Corporation will hold a Regular Meeting at 6:00 p.m. on May 20, 2019 at the Montgomery City Hall, 101 Old Plantersville Road, in Montgomery, Texas.

1. Call to Order
2. Open Public Comment
3. Approval of Minutes of April 15, 2019
4. Approval of financial report (April, 2019)
5. Consideration and possible action regarding Antiques Festival Financial Report
6. Consideration and possible action regarding Clepper Street sidewalk report – Mike Muckleroy
7. Consideration and possible action regarding presentation from Southern Rum Runners Regarding alcoholic beverage services
8. Economic Development Reports: City Administrator Report, City Engineers Report, Tourism and Marketing Director Report

EXECUTIVE SESSION:

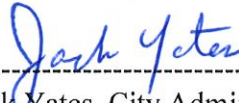
The MEDC Board of Directors reserves the right to discuss any of the items listed specifically under this heading or for any items listed above in executive closed session as permitted by law including if they meet the qualifications in Sections 551.071(consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas.

9. Adjourn into Closed Executive Session as authorized by the Texas Open Meetings Act, Chapter 551 of the Government Code, in accordance with the authority contained in the following:
 - a. Section 551.074 (personnel matters) related to Marketing and Tourism position.
10. Reconvene into Open Session.

POSSIBLE ACTION FROM EXECUTIVE SESSION:

11. Consideration and possible action(s) if necessary, on matter(s) deliberated in Closed Executive Session.

12. Board Inquiry



Jack Yates, City Administrator for
Rebecca Huss, President of MEDC

I certify that the attached notice of meeting was posted on the bulletin board at the City of Montgomery City Hall, 101 Old Plantersville Road, Montgomery, Texas, on the 17th day of May, 2019 at 3:15 o'clock p.m. I further certify that the following news media was notified of this meeting as stated above: The Courier



MINUTES OF REGULAR MEETING

April 15, 2019

MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

CALL TO ORDER

President Rebecca Huss called the meeting to order at 6:00 p.m.

Present: Rebecca Huss - President
 Bill Hanover – Vice-President
 Julie Hutchinson - Treasurer
 Amy Brown – Secretary
 Tom Cronin – Board Member
 Cheryl Fox – Board Member

Absent: Bob Kerr – Board Member

Also Present: Jack Yates – City Administrator
 Katrina Moore – Director of Marketing and Tourism

OPEN PUBLIC COMMENT

Mr. Wadell spoke on the issue of the proposed Clepper sidewalk. Mr. Wadell stated he believes there is currently a safety issue due to the lack of an existing sidewalk. He said as the area grows, the sidewalk should be a top priority of the city.

Mr. Hanover joined the meeting, and apologized to the Board.

APPROVAL OF MINUTES

Minutes of March 18, 2019 Regular Meeting –

President Huss asked for comments on the minutes as presented. Mrs. Fox made a motion to accept the minutes as presented, seconded by Mr. Cronin. All in favor. (6-0)

MONTHLY FINANCIAL REPORT

Report for March, 2019

Mrs. Hutchinson pointed out the EDC does not pay wire fees for transfers as previously discussed. She also informed the Board the money for the billboard will be coming out of the budget. Mrs. Hutchinson also noted the funding for the Lone Star Flag Festival will be removed from the budget, and rolled back up into the parent account.

Motion by Mrs. Brown, seconded by Mrs. Fox to approve the March 2019 Financial Report as presented. All in favor. (6-0)

CONSIDERATION AND POSSIBLE ACTION

5. Consideration and possible action regarding Living Savior Lutheran Church parking lot paving grant application.

Mr. Hames asked for the Board to consider funding in the amount of \$50,000. He noted scheduling for city events would still be made only if there is not conflict with the Church's schedule. He said the Church would entertain an event by event lease with a 4-6 month advance notice. He said there would be no charge for each lease.

Mr. Cronin said he was concerned on setting a precedent of funding churches.

Motion by Mrs. Huss to fund \$30,000 towards the parking lot improvement project. Motion dies for lack of a second.

Motion by Mr. Hanover to fund \$50,000 towards the parking lot improvement project. Motion dies for lack of a second.

Motion by Mr. Hanover, seconded by Mrs. Fox to table the discussion. Hanover, Fox and Huss in favor, Brown, Cronin and Hutchinson against. (3-3). The motion failed due to lack of a majority.

Mrs. Hutchinson said she did not feel comfortable spending that amount of money on this parking lot when other options may become available.

Mrs. Brown said she felt the amount was too high considering the restrictions imposed by the Church. She said she would feel more comfortable with an amount around \$5,000-\$10,000.

Mr. Cronin said he would not consider any amount because of setting a precedent.

Mrs. Huss asked Mr. Yates to bring the item back when there is more clarity on other parking options, or at a lower price.

6. Consideration and possible action regarding a request from Fernland, Inc. for funds to repair Crane Cabin – Gareth Westlake.

Mr. Westlake explained to the Board the need of repairs to the Crane Cabin at Fernland Historical Park. He said one wall is severely deteriorated and needs to be repaired.

Mr. Westlake said the buildings are leased from Sam Houston University, but sitting on City property. He said the Fernland Board would contribute a third of the cost, with the City and the EDC both contributing one third each.

Mrs. Brown noted the estimate provided did not have a price on it from the company. Mr. Westlake provided another copy with the price.

Mrs. Brown asked Mr. Westlake if Sam Houston would be interested in helping with repairs. Mr. Westlake said they have not shown any interest.

Motion by Mr. Cronin, seconded by Mrs. Fox to approve the \$6,300 request under the Infrastructure line item.

Amendment to the original motion by Mrs. Huss, seconded by Mrs. Fox to create a line item in the budget named Fernland Park Improvements, and to move the \$6,300 from the Infrastructure line item into the new category. All in Favor (6-0)

Motion by Mrs. Brown, seconded by Mrs. Hutchinson to amend the original motion by Mr. Cronin to state the \$6,300 request will be paid for from the Fernland Park Improvement line item not the Infrastructure line item. All in Favor (6-0)

Vote on the original motion by Mr. Cronin with the two amendments. All in favor. (6-0)

7. Consideration and possible action regarding placement of Clepper Street sidewalk.

Mr. Yates explained this item was requested by Mr. Hanover. Mr. Yates said this item needs to be further researched by the City Engineer. He said this item was approved by the EDC in 2017 but was rejected by the City Council.

Mrs. Huss said her previous objections to the sidewalk was how it related to the City's plan for the downtown improvement. She has always wanted to work from the center and work out.

Mrs. Fox agreed.

Mrs. Hutchinson asked if the sidewalk could be included in the Downtown Master Plan. Mr. Yates said it could be included.

Mr. Cronin stated that vehicles will not yield to pedestrians walking down the road.

Mrs. Brown said she felt it would be important to have the City Engineer check into the issues. She felt there was not enough information to make an informed decision at this time.

Mrs. Huss said that City Council had previously asked for a report.

Motion by Mr. Cronin, seconded by Mrs. Brown to table the discussion until the May meeting. All in favor. (6-0)

Mrs. Hutchinson said she would like to see the sidewalk as part of the Downtown Master Plan in order to possibly cut the expense by doing several jobs at once.

8. Consideration and possible action regarding Texas Flag Celebration event.

Ms. Moore said the event mostly complete with the exception of the logo and marketing plans.

The Board unofficially chose one of the two logos that was presented.

Mrs. Huss asked about vendors. Ms. Moore said there are a few that are interested.

Mrs. Huss asked if Ms. Moore had any concerns on the schedule or the budget. Ms. Moore said she had none.

Mrs. Huss mentioned that Lone Star has agreed to sponsor, but a non-profit would be needed to serve or contract with a company who organizes events.

Mrs. Hutchinson asked if she needed to move \$4,000 for this event. Mrs. Huss said yes, that would need to be done.

No formal action was taken on this item.

9. Consideration and possible action regarding approval of October Fest event.

Ms. Moore said she has been working with Kambra Drummond of the HMBA to find vendors.

Mrs. Brown said she prefers the logo with the golden background. The other board members agreed.

Mrs. Huss asked Ms. Moore what she had planned for activities. Ms. Moore said she planned on keeping the event in the area surrounding the Community Center, with family friendly activities, and finding local musicians or bands.

Mrs. Fox suggested a pumpkin carving contest.

No action was taken on this item.

10. Consideration and possible action of "Fly the Texas Flag" Day event.

Ms. Moore explained the City was asking residents and businesses to fly flags on May 3-5.

Ms. Moore said the idea is to have flags available for purchase at City Hall. Ms. Moore said she can purchase 3' x 5' flags for \$1.39, and resell them for \$5.00. She said there was also discussion on having pencil flags available.

Ms. Moore said she would promote the event on Facebook and on the electronic sign.

Motion by Mrs. Huss, seconded by Mr. Cronin to approve a not to exceed budget of \$300 for the Fly the Texas Flag Day event. All in favor (6-0).

11. Consideration and possible action regarding rack card purchase and possible distribution cost.

Ms. Moore presented the detailed rack card costs as requested from the previous meeting.

Mrs. Brown suggested placing cards in locations further out such as College Station rather than The Woodlands and Spring.

Mrs. Huss asked Ms. Moore if the Board is able to sign up for only six months and then renew for a month by month basis. Ms. Moore said that was correct.

Mrs. Fox asked about getting them distributed with school systems. Mrs. Huss said that could be something that could be looked into.

Mrs. Brown asked if Distrx would reimburse the EDC for half of the rack cards and distribution. Ms. Moore said she believed it would just be for the rack cards, but could ask Distrx. Mrs. Brown suggested Ms. Moore ask Distrx if they would also contribute to the distribution cost.

Mrs. Brown also suggested adding something to the rack card design in order to identify where cards were being found.

Mr. Yates suggested a coupon on the rack cards that would need to be presented in order for the coupon to be used.

Mrs. Hutchinson suggested offering a free Texas flag on the coupon.

Mrs. Huss suggested placing the rack cards at Welcome Centers.

Motion by Mr. Hanover, seconded by Mrs. Hutchinson to table the item until costs can be finalized and coupons could be added to the cards. All in favor (6-0).

12. Economic Development Report – Jack Yates

Engineer Report – Mr. Yates presented the Engineer's Report from Jones and Carter.

Development Status Report – Mr. Yates presented his Development Status Report. Mr. Yates mentioned Christian Brothers automotive shop will be going in near the car wash/Pizza Shack location. He also noted Spirit of Texas is expected to open in May.

Tourism and Marketing Report – Ms. Moore said a Small Business 101 seminar is scheduled for April 24th on financing and credit scores. She said she has been posting on social media channels approximately 3-4 times per week. Ms. Moore said there have been 105 new likes on the Facebook page in the past month. Ms. Moore said that Workforce Solutions is looking for sites for interns and Ms. Moore has spoken to Susan Hensley about getting interns for the City.

13. Convened into closed Executive Session at 7:56pm.

14. Reconvened into Open Session at 8:36pm.

15. Consideration and possible action(s) if necessary, on matter(s) deliberated in Closed Executive Session.

No action taken on this item.

BOARD INQUIRY

No Board Inquiry.

ACTION ITEMS FROM MARCH MEETING

| <i>ACTION ITEM</i> | <i>ASSIGNEE</i> | <i>RESULT</i> |
|--|-----------------|---------------|
| Executive Session agenda item | Yates | Completed |
| Discussion/Action to formally remove Flag Festival funding | Yates | Completed |
| Alcoholic Beverage license info | Yates | |
| Rack Card cost breakdown | Moore | Completed |
| Liability insurance info from water slide provider | Moore | |
| Event calendar for 2019 | Moore | |
| Billboard money | Yates | Completed |

ACTION ITEMS FOR FUTURE MEETINGS

| <i>ACTION ITEM</i> | <i>ASSIGNEE</i> | <i>DUE DATE</i> |
|--|-----------------|-----------------|
| Find non-profit for beer distribution | Moore | |
| Report on Clepper sidewalk and agenda item for meeting | Yates | May meeting |
| Rack card distribution cost assistance and coupon | Moore | May meeting |
| Rack card placement at Welcome Centers | Yates | May meeting |

ADJOURNMENT

Motion by Mrs. Fox, seconded by Mrs. Brown to adjourn the meeting at 8:36 p.m. All in favor. (6-0)

Submitted by: _____ Date Approved: _____

Amy Brown, MEDC Secretary

Rebecca Huss, MEDC President

CITY OF MONTGOMERY - MEDC
ACCOUNT BALANCES REPORT
Through April 30, 2019

| | <u>MONEY MARKET ACCOUNTS</u> | <u>INVESTMENTS</u> | <u>TOTALS</u> |
|---------------------------|----------------------------------|----------------------|----------------------|
| <u>MEDC</u> | | | |
| CHECKING ACCOUNT #1017938 | \$ 152,727.89 | | \$ 152,727.89 |
| TOTAL INVESTMENTS | \$ - | \$ 790,633.63 | \$ 790,633.63 |
| TOTAL MIDC | \$ 152,727.89 | \$ 790,633.63 | \$ 943,361.52 |

INVESTMENTS

| | Issue Date | Maturity Date | Interest Rate | Balance |
|---------------------------------|------------|---------------|---------------|----------------------|
| Texpool #00006 | | | 2.43% | \$ 540,633.63 |
| Certificates | | | | |
| Allegiance Bank CD #2047 | 6/6/2018 | 6/6/2019 | 2.00% | \$ 100,000.00 |
| Bancorp South CD #4045 | 1/27/2019 | 1/28/2020 | 2.75% | \$ 150,000.00 |
| Total Investment Balance | | | | \$ 790,633.63 |

** Note: I intend to make a transfer before the end of May to Texpool to bring the checking account to approx \$50,000 as requested

City of Montgomery - MEDC
Cash Flow Report
As of April 30, 2019

| Date | Num | Name | Memo | Amount | Balance |
|------------------------------|------|-----------------------------------|--|----------------|-------------------|
| 51100 · MEDC Checking | | | | | 153,306.89 |
| 04/05/2019 | 1962 | Alliance Realty Advisors | Regarding address: 605 Martin Luther King Drive-Li.. | -450.00 | 152,856.89 |
| 04/12/2019 | 1963 | Darden, Fowler and Creighton, LLP | Legal fees 3/19 | -80.00 | 152,776.89 |
| 04/18/2019 | 1964 | Rebecca Huss | Reimbursement of Expense - Logo from Etsy for D... | -49.00 | 152,727.89 |
| Total 51100 · MEDC Checking | | | | -579.00 | 152,727.89 |
| TOTAL | | | | -579.00 | 152,727.89 |

City of Montgomery - MEDC
Actual to Budget Performance
 April 2019

| | Apr 19 | Budget | \$ Over Bu... | Oct '18 - A... | YTD Budget | \$ Over Bud... | Annual Bu... |
|--|------------------|------------------|--------------------|-------------------|-------------------|---------------------|-------------------|
| Income | | | | | | | |
| 55000 · Taxes & Franchise Fees | | | | | | | |
| 55400 · Sales Tax | 41,379.20 | 47,916.67 | (6,537.47) | 346,601.67 | 335,416.65 | 11,185.02 | 575,000.00 |
| Total 55000 · Taxes & Franchise Fees | 41,379.20 | 47,916.67 | (6,537.47) | 346,601.67 | 335,416.65 | 11,185.02 | 575,000.00 |
| 55300 · Other Revenues | | | | | | | |
| 55391 · Interest Income | 1,079.58 | 266.67 | 812.91 | 4,700.46 | 1,866.65 | 2,833.81 | 3,200.00 |
| Total 55300 · Other Revenues | 1,079.58 | 266.67 | 812.91 | 4,700.46 | 1,866.65 | 2,833.81 | 3,200.00 |
| Total Income | 42,458.78 | 48,183.34 | (5,724.56) | 351,302.13 | 337,283.30 | 14,018.83 | 578,200.00 |
| Expense | | | | | | | |
| 56000 · Pub Infrastructure - Category I | | | | | | | |
| 56000.6 · Downtown Dev Improvments | 0.00 | 5,000.00 | (5,000.00) | 0.00 | 35,000.00 | (35,000.00) | 60,000.00 |
| 56000.8 · Utility Extensions | 0.00 | 3,266.67 | (3,266.67) | 0.00 | 22,866.65 | (22,866.65) | 39,200.00 |
| 56430 · Tsf to Debt Service | 0.00 | 0.00 | 0.00 | 80,000.00 | 80,000.00 | 0.00 | 160,000.00 |
| Total 56000 · Pub Infrastructure - Category I | 0.00 | 8,266.67 | (8,266.67) | 80,000.00 | 137,866.65 | (57,866.65) | 259,200.00 |
| 56001 · Business Dev & Ret -Category II | | | | | | | |
| 56001.8 · Sales Tax Reimbursement | 0.00 | 0.00 | 0.00 | 50,917.00 | 76,900.00 | (25,983.00) | 76,900.00 |
| 56423 · Economic Development Grant Prog | 0.00 | 1,250.00 | (1,250.00) | 4,200.00 | 8,750.00 | (4,550.00) | 15,000.00 |
| Total 56001 · Business Dev & Ret -Category II | 0.00 | 1,250.00 | (1,250.00) | 55,117.00 | 85,650.00 | (30,533.00) | 91,900.00 |
| 56002 · Quality of Life - Category III | | | | | | | |
| 56404 · Seasonal Decorations | 0.00 | 0.00 | 0.00 | 7,600.00 | 7,600.00 | 0.00 | 7,600.00 |
| 56420.2 · Christmas Lighting(Civic Assn) | 0.00 | | | 1,500.00 | 0.00 | 1,500.00 | 0.00 |
| 56420.3 · Fermland Improvements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6,300.00 |
| 56423.1 · Walking Tours | 0.00 | 0.00 | 0.00 | 771.59 | 6,000.00 | (5,228.41) | 6,000.00 |
| 56429 · Removal of Blight | 950.00 | 1,200.00 | (250.00) | 4,611.83 | 8,700.00 | (4,088.17) | 8,700.00 |
| 56434 · Events | | | | | | | |
| 56434A · Lone Star Flag Fest | | | | | | | |
| 56434.G · Marketing/signage/logo | 0.00 | | | 49.00 | | | |
| 56434A · Lone Star Flag Fest - Other | 0.00 | 0.00 | 0.00 | 0.00 | 1,000.00 | (1,000.00) | 1,000.00 |
| Total 56434A · Lone Star Flag Fest | 0.00 | 0.00 | 0.00 | 49.00 | 1,000.00 | (951.00) | 1,000.00 |
| 56434 · Events - Other | 0.00 | 2,000.00 | (2,000.00) | 9,949.00 | 10,000.00 | (51.00) | 32,000.00 |
| Total 56434 · Events | 0.00 | 2,000.00 | (2,000.00) | 9,998.00 | 11,000.00 | (1,002.00) | 33,000.00 |
| 56439 · Downtown Enhancement Projects | 0.00 | 1,666.67 | (1,666.67) | 0.00 | 11,666.65 | (11,666.65) | 20,000.00 |
| Total 56002 · Quality of Life - Category III | 950.00 | 4,866.67 | (3,916.67) | 24,481.42 | 44,966.65 | (20,485.23) | 81,600.00 |
| 56003 · Marketing & Tourism-Category IV | | | | | | | |
| 56413 · Brochures/Printed Literature | 0.00 | 833.33 | (833.33) | 19.50 | 5,833.35 | (5,813.85) | 10,000.00 |
| 56419 · Website | 0.00 | 250.00 | (250.00) | 0.00 | 1,750.00 | (1,750.00) | 3,000.00 |
| Total 56003 · Marketing & Tourism-Category IV | 0.00 | 1,083.33 | (1,083.33) | 19.50 | 7,583.35 | (7,563.85) | 13,000.00 |
| 56004 · Administration - Category V | | | | | | | |
| 56004.1 · Admin Transfers to Gen Fund | 0.00 | 0.00 | 0.00 | 53,750.00 | 53,750.00 | 0.00 | 107,500.00 |
| 56004.3 · Miscellaneous Expenses | 0.00 | 83.33 | (83.33) | 284.25 | 583.35 | (299.10) | 1,000.00 |
| 56004.5 · Internship Program | 0.00 | 833.33 | (833.33) | 0.00 | 5,833.35 | (5,833.35) | 10,000.00 |
| 56327 · Consulting (Professional servi) | 0.00 | 833.33 | (833.33) | 700.00 | 5,833.35 | (5,133.35) | 10,000.00 |
| 56354 · Travel & Training Expenses | 0.00 | 166.67 | (166.67) | 247.80 | 1,166.65 | (918.85) | 2,000.00 |
| Total 56004 · Administration - Category V | 0.00 | 1,916.66 | (1,916.66) | 54,982.05 | 67,166.70 | (12,184.65) | 130,500.00 |
| 56340 · Office Supplies | 0.00 | | | 81.20 | | | |
| Total Expense | 950.00 | 17,383.33 | (16,433.33) | 214,681.17 | 343,233.35 | (128,552.18) | 576,200.00 |
| Net Income | 41,508.78 | 30,800.01 | 10,708.77 | 136,620.96 | (5,950.05) | 142,571.01 | 2,000.00 |

Montgomery City Council
AGENDA REPORT

| | |
|---|-------------------------|
| Meeting Date: May 20, 2019 | Budgeted Amount: |
| Prepared By: Jack Yates City Administrator | Exhibits: |
| Date Prepared: May 17, 2019 | |

Subject

Presentation of Antiques Festival financial results report from Kambra Drummond.

Description

The last time Kambra gave a report it gave revenue sources and expense sources and generally was a good report. I do not have the report, she will be bringing it to the meeting.

Recommendation

Listen to the report and comment as you think appropriate.

Approved By

| | | |
|--------------------|------------|--------------------|
| City Administrator | Jack Yates | Date: May 17, 2019 |
|--------------------|------------|--------------------|

Montgomery City Council
AGENDA REPORT

| | |
|---|-------------------------|
| Meeting Date: May 20, 2019 | Budgeted Amount: |
| Prepared By: Jack Yates City Administrator | Exhibits: |
| Date Prepared: May 17, 2019 | |

Subject

Presentation of information regarding Clepper Street sidewalk from Mike Muckleroy, Public Works Director

Description

Mike will have a updated cost estimate, and otherwise will report on the construction elements of the sidewalk.

Recommendation

Listen to the report and comment and act as you think appropriate.

Approved By

| | | |
|--------------------|------------|--------------------|
| City Administrator | Jack Yates | Date: May 17, 2019 |
|--------------------|------------|--------------------|

Montgomery City Council
AGENDA REPORT

| | |
|---|---|
| Meeting Date: May 20, 2019 | Budgeted Amount: Unknown |
| Prepared By: Jack Yates City Administrator | Exhibits: email, information to be delivered at meeting by SRR |
| Date Prepared: May 16, 2019 | |

Subject

Presentation by Southern Rum Runners to provide information on way for MEDC festivals to work around issues concerning TABC license, personnel constraints, and large festival budget outlays

Description

As a reminder, the Board previously discussed pursuing a 2 year TABC license. However, subsequent information about insurance requirements made it impossible for MEDC to directly acquire a license.

Southern Rum Runners is an alcohol catering business with experience in a variety of festival-like events for several types of entities. Their presentation will include topics such as: TABC license and how it will extend to events in Montgomery, insurance, cost to MEDC to work with SRR, provision of labor, etc.

Recommendation

Comment as appropriate and possibly direct City Staff to work with SRR on a future agenda item

Approved By

| | | |
|--------------------|------------|--------------------|
| City Administrator | Jack Yates | Date: May 16, 2019 |
|--------------------|------------|--------------------|



Yates, Jack <jyates@ci.montgomery.tx.us>

Fwd: SRR Meeting

1 message

Huss, Rebecca <rhuss@ci.montgomery.tx.us>
To: Jack Yates <Jyates@ci.montgomery.tx.us>

Thu, May 16, 2019 at 5:33 PM

Jack - please include this email in the MEDC packet for the Southern Rum Runners item

----- Forwarded message -----

From: **Huss, Rebecca** <rhuss@ci.montgomery.tx.us>

Date: Wed, Apr 17, 2019 at 7:12 PM

Subject: SRR Meeting

To: Jack Yates <Jyates@ci.montgomery.tx.us>, Dave McCorquodale <dmccorquodale@ci.montgomery.tx.us>

Greetings -

I had a meeting with Southern Rum Runners yesterday to explore options for alcohol catering with respect to MEDC's events. I learned a lot and wanted to pass on some of the details in order to make sure that we don't accidentally make any gross errors in the future.

1) Our sponsorship arrangement with Lone Star Beer is going to be complicated! It needs to be a contractual relationship between the City and Lone Star with the City then transferring the money to MEDC. That is the method envisioned anyway, but I wanted to write it down. The City can NOT offer in consideration any placement of Lone Star Beer within the selling area, reduce competition, or in any way interfere with a distributor's method of making money. This IS in contradiction to what we have previously been speaking to them about. That needs to stop. What we can do is have our entertainment on the "Lone Star Beer Stage" so that their name is mentioned every other second on the loud speaker. We can put their name on all of our advertising. We can give them a prime booth area OUTSIDE of the alcohol area. But we cannot interfere with anything inside the alcohol area

2) The way that the wine festival has been conducting things is against TABC regulations. I'm willing to turn a blind eye to that - it falls under the category of "not my problem if you get your TABC license revoked". But SRR will be following the rules to the letter since it's their entire business model - which means that they want a "control area" in which no outside alcohol comes in and no alcohol from the festival goes out. Preliminarily (if that's a word), that can include the Community Center, the Jacobs parking lot, go down McCown, include the the Cozy Grape Lot and keep on going. We can use construction fence, barricades, or other and have a variety of manned entrances so that people can go back and forth between the control area and the rest of downtown. But since the goal is to adhere to TABC regulations and not prevent anyone from crossing back and forth, I think it's an easier sell than the one that was tried 5 years ago that proposed blocking off downtown with a chain link fence and required paid admission.

3) SRR is booked the weekend we are planning for Oktoberfest. So are all of the beer companies. In fact, they said that if they were us they wouldn't even bother trying to start up another Oktoberfest. It's unlikely to have much of a draw. I disagree a bit since we are a different geographical market, but it's an interesting concept. They suggested first weekend in November. With their full suite of alcohol permits we could do something more sophisticated (Montgomery?) that might draw a different crowd than your typical Oktoberfest. Definitely something worth considering - especially if we CAN'T logistically make Oktoberfest

happen. So, we just have to think of something original, catchy, fun, and fast that the MEDC Board would vote for.

4) Having SRR or something similar would be AMAZING. It takes a lot of logistical pressure off of Katrina and financial pressure off of MEDC. We would pay a set up fee to SRR (I think \$800-1200). The alcohol companies that they have connections with bring their own tents and representatives to talk about their stuff. SRR provides the bartenders for an hourly fee. SRR also uses their relationship with the distributors to get the 4 main companies there with their product. MEDC and SRR agree to a plan - using an Oktoberfest example 20 beers are agreed upon each one has a minimum size of one keg which costs \$100. MEDC must buy \$2,000 of beer at the beginning of the festival. Everything after that depends on sales - so if one keg runs dry, another is purchased - but the receipts are in the till to pay for it.

Thanks
Becky



CITY OF MONTGOMERY

Development Status Report

By: Jack Yates, City Administrator

May 15, 2019

 = New Information since 4-3- 2019 edition

KENROCK Property – This is the approximately 13-acre piece of property that lies immediately west of Pizza Shack and east of the property being developed on the northeast corner of Highway 105 and Lone Star Pkwy.

The Plat for this project has three pad sites on the Highway 105 frontage and one 16,000 sq. ft. building in one 24,000 sq. ft. building on the north side of this property.

They have started the erection of the interior part of construction in the middle part of this tract on what will be a stand-alone retail strip center. On the extreme west side of this development will be a Wendy's Restaurant- in very early stages of planning now.

Two accesses to the entirety of the property will be off Highway 105 and they will also share a driveway with the developer of the northeast corner of 105 and Lone Star Parkway for their Lone Star Parkway access.

Christian Brothers Automotive Repair is planning on building immediately west of Bubble King car Wash. They have submitted site plans that the City Engineer and Christian Brothers almost have worked out. The expectation is that they should be in construction by August/September period. This will be their 14th location in the Houston area. They have an excellent appearance building and will help fill a need for automotive repair for the community.

Montgomery First Shopping Area- Northeast Corner of SH105 and Lone Star Parkway - This is a strip center of approximately 20,000 sq. ft. One third of the building is an emergency medical clinic and another one third a dentist office. The pet supply store between the dentist office in the clinic is in place and a Mammography testing clinic has finished this sites development.

Bubble King Car Wash – This is nearing an opening date. One interesting aspect of this will be an 80' high flag pole that was approved by the City Board of Adjustment after a public hearing was held. The approval was necessary because a flag pole is considered a structure and, in the B-Commercial zone 45' high is the maximum height. Welcome to Montgomery, Bubble King!

Southeast Corner of Highway 105 and FM 2854 – This is the HEB corner.

HEB representatives met with the city engineers and myself about twenty months ago and said at that time that they were probably two years away from getting serious about building, so no speculation at all about when they may build.

Peter Hill Annexation – This is a 3.22-acre tract that is immediately south of SH 105 across from Pizza Shack. The total property is approximately 5 acres but 1.8 acres of the property is in the Conroe ETJ, and Conroe would not give up their right to annex.

That left the 3.22 to be annexed into the City of Montgomery. The plan is for businesses to be located on the total 5 acres. In the 3.22 portion located in the City, what is planned is an exercise gym and a tire repair/replacement shop. The owner, as of this date, has not obtained a building permit. The zoning on this property was approved for “B” Commercial by the Council

Kroger Site - They have approximately six pad sites on their property near Highway 105 and Lone Star Parkway. A Burger King restaurant is in the Kroger Center. The other businesses that is in the retail center next to Kroger is Great Clips, Halo and Coiffure, Malibu Nails and Spa, Massage Envy, Everbright Dental, Taste of China restaurant, and a Stoney’s Liquor. There are two empty spaces remaining.

West of Kroger/East of Buffalo Springs Road - The developers have placed their interior water and sewer and other interior property utilities now. Blu-Wave Car Wash has started turning dirt at the southeast corner of the tract. Otherwise the site plan shows a strip center similar to the Kroger strip center and three pad sites up closer to SH 105.

Southwest corner of FM 2854 and State Highway 105- This 26-acre property Developer is being developed in part due to a development agreement with the City Council. A CVS drugstore is getting built on the far east pad site. Construction work began in July **and is open now**..

The City’s 380 Agreement includes relocation of the Lift Station #1 and getting about $\frac{3}{4}$ of an acre of land for an addition to the Sewer Treatment Plant. This is part of a 380 Agreement between the Developer and the city with their utility feasibility study amount of approx. \$430,000 with the Developer paying \$200,00 toward the relocation of L. S. #1 to open up more developable property since the LS is roughly in the middle of their property now. All totaled, the city is rebating one-half of one cent of the two cents sales tax generated by the entire development to total 1.1 million

dollars, or ten years whichever comes first, while the city is receiving approximately \$850,000 of payments from the Developer.

The announcement that was withheld in this space (faithful readers will realize) is that Chick-Fil-A is being planned for immediately west of the CVS store. They have not turned in building plans but received approval on two minor development issues with the City Council in April. Other than "by the end of the year", I do not know when they plan on building.

South Loop around State Highway 105 – As the city continues to grow, traffic on Highway 105 and FM 149 will continue to get more congested. The City and Montgomery County Commissioners agreed late summer of 2017 to pay for a Mobility Study for the City and the immediate area. The Mobility Study was accepted by the City Council in late-January, 2018. One of the items in the Study is the need for a south loop extending from 2854 to Highway 105 west of the city. The loop would probably be outside the city south of the present city limits but could be annexed into the city as time/circumstances allow. The reason to do the planning for the loop now is as development occurs in area of the loop land can be set aside for the right-of-way for the ultimate paving of the road.

North Loop around SH 105 -- The City Council at its December, 2017 meeting directed the City Administrator and Jones/Carter Engineering to start coordination work with the Houston Galveston Area Council to get either the northern loop and/or the southern loop on the Transportation Improvement Program (TIP) that will provide either 80% funding or 90% funding for these projects. Getting on the TIP involves probably several years of planning to get into the multiyear planning program. The TIP program is how major funding happens for major roads in the region. The first of this this coordination work will began in late-February this week with a meeting at the Houston regional office with TxDOT, HGAC, Montgomery County and City representatives at the first planning meeting.

The first meeting went well with very broad discussions toward what will probably be a four-year program of planning and funding arrangements

Expansion of Sewer Plant Area – The City has received State Department of Environmental Quality approval of a discharge permit for the sewage treatment plant located at the end of Buffalo Springs Road south of Highway 105. At the same time a discharge permit was approved for what is called the Stewart Creek Treatment Plant, the former treatment plant site that has been taken out of operation for about 10 years.

The Sewer Master Plan completed in March 2016 - presented a scenario to where the Stewart Creek Plant was put back in operation. By obtaining will owe me know will both discharge permits that leaves that option open.

The need for additional treatment capacity, we think, is 3 to 5 years away -- allowing time to make a decision about whether or not to expand the Buffalo Springs site or to put the Stewart Creek Plant back into operation.

Part of the Texas Water Development Board borrowing that happened summer, 2017, is to improve lift station number one that now feeds all the city sewage into the Buffalo Springs site. The decision regarding the sewer plant expansion/Stewart Creek operating will probably be in the next 2 to 3 years.

Right now, the sewer plant has a permitted capacity of 400,000 gallons per day with a current usage of approximately 135,000 gallons per day. However, state regulations say that you need to be in the planning/designing stage at 60% of capacity (240,000 gallons per day) and in construction at 80% of capacity (320,000 gallons per day). With the addition of approximately 75 houses per year plus all the commercial development is not hard to imagine us doubling our flow in the next 3-4 years. How that will be paid for is another entirely different subject.

Spirit of Texas Bank -- Construction at the northeast intersection of 105 and Lone Star Pkwy. is moving along rapidly. They are supposedly shooting for a July opening.

Blue-Wave Car Wash – The Blue-wave Car Wash building that is fully erected was not held to the Corridor Enhancement District ordinance requirement of no Concrete Masonry Units (CMU) (the construction description of cement block materials) construction to be within the Corridor Enhancement District. Ordinance 2017 – 03 (attached) specifically prohibits CMU construction of any kind.

The plan reviews by the City Engineer and the building inspector—both of which I rely upon before signing any building permit did not catch the CMU building materials on the plans. Apparently, I did not make a specific enough assignment to the Building Inspector or City Engineer about who was to review compliance with the District's exterior requirements. I thought that both knew of the requirement and from reading the plan review sheets, I actually thought that both had that review as part of their consideration. In speaking with both individuals, both said

he did not realize he was supposed to be reviewing the exterior walls construction materials for compliance to the Corridor Enhancement District ordinance. I have corrected that by a memo specifically assigning this review to the Building Inspector Rick Hanna (attached) who can, at a glance while reviewing the plans in front of him already, determine compliance with the ordinance.

The original Corridor Enhancement District ordinance, 2014 – 03, in section 98 – 365 clearly states that City Engineer and/or City Building Inspector will review construction plans to ensure compliance with this article and no Certificate of Occupancy will be granted until compliance with this article is achieved. Also, in the original ordinance section 98 – 363 (b) gives the exceptional materials that may be used.

I have spoken with the owners of Blue-Wave and they are applying for a variance to the Board of Adjustment, to not have to place the façade. No Certificate of Occupancy has been granted as they are still under construction.

According to City Attorney Larry Foerster, the mistake of a city employee is not bound to the City itself. Meaning that the City can still require Blue-wave to comply to the ordinance.

McCoy's Lumber Development – McCoy's has developed into the #2 sales tax payer in the City. No movement on their other three pad lots around them.

Ransom's Area Development- Phillip LeFevre has developed an area for soccer fields immediately north of the Ransom's Restaurant. The Montgomery Soccer Club is having tournaments and league play there.

Ferland Historic Park - The Park continues to be popular. The individual visits are increasing as are tours – in December, 2018 there were 685 visitors and 38 tours were noted by the Docents at the Park.

Memory Park – The Lake Conroe Rotary Club continues to do an excellent job with making improvements, maintaining and essentially managing the Park. They continue to put tens of thousands of dollars into the park every year with the City funding the park maintenance/overall expenses of approximately \$20,000 per year.

Downtown Walk Ability/Improvement Plan – This will be an effort to plan for sidewalks, drainage, parking, landscaping with the ornamental lights and overall

making it easier to park and get around downtown. Downtown is thought to be the heart and soul of the city and what will keep the Montgomery atmosphere after all of the new development happens. The plan is under way now, funded by the Montgomery Economic Development Corporation. Upon receipt of a plan the intention is to meet with the downtown property owners, the general public and others to decide on a street by street detailed plan of action.

The first of these projects is the downtown parking area South of the Cozy Grape Restaurant. The city leased the area all the way from Cozy Grape Restaurant South to Caroline Street with the MEDC paying for the parking paving and landscaping around the area. The second project is the Jacobs/Rose parking area on the north end of that same block.

Hodge Podge Lodge – The owner, Jeff Angelo, has improved and enlarged his kitchen area for what is becoming an event center and has hired the Chef away from the Walden Yacht Club. He is now serving breakfast, lunch, and dinner, I believe, Tuesday through Saturday of every week.

Montgomery Trace Shopping Center – Brookshire Brothers has renewed its lease and also has completed several instore upgrades. I think we are all glad that they are able to carve out a market for themselves with Kroger so they can continue their excellent business that they have supported Montgomery with for all these years.

Heritage Senior Apartments – The next phase of the apartments, for seniors only is now under construction. There will be approximately 80 apartments and 6 to 8 “cottages” which are four-plex units at ground level.

Baja Street Project - A Community Development Block Grant has been awarded from the state for repaving of Baja Street, replacing a water line and improving the ditches along Baja - and replacing some water line on Martin Luther King Blvd. \$26,000 cash match is required for the \$350,000 our grant. The bid for this work was approved in October with work now stopped due to the inadequate progress on the project by the Contractor. The City is now in discussions with the Bonding company to determine how to complete the project.

Blight Removal in the Northwest Area – Over the past three years nine structures have been torn down and removed. All of these were with the permission of the owner and demolition costs were paid for by the Montgomery Economic

Development Corporation, to the furthering of removal of blight for the overall economic improvement to the city.

HOME Grant --The City Council, at its May 9, 2018 meeting approved an application to be made for the state of Texas HOME project. This will fund up to eleven new replacement houses or major renovation) for those who qualify. The qualifications are: have income below the 80% of the average income for the area, be the owner of the house where the person now lives, have a clear title to the property where the new house would go. Preliminary review of the applications has three persons that have qualified for the new houses.

The grant has no local match, but MEDC has said that they will front any incidental costs and any cost required by the grant.

The timing of the project is (approximately - remember this is the government and there is lots of coordination that needs to happen): verify qualified awardees in December, 2018, coordinate house design in January, 2019, take bids for house builders in February, finish building in June, move-in of residents in July, paperwork compilation/project closeout in September, 2019.

Each house involves approximately \$100,000 in funding, administration, and cost of legal work, site preparation and construction of the house.

At this point it appears as though 3 to 4 people have qualified for the continuation of the process of getting approved for the new homes.

FM 149 Road Improvement --.

There have been meetings with TxDOT, individual property owners and businesses over the past several months.

The Council passed a Resolution on July 10th asking TxDOT to proceed as quickly as possible in the SH 1052 Caroline St. section that includes the addition of right-hand and left-hand turn Lane zone FM 149 as it approaches 105, and to start on the FM 149 project from Clepper Street north to the FM 1097/FM 149 intersection. For the Caroline Street to Clepper section of the project the Council is requesting TxDOT to wait on this portion of the project until the downtown development streetscape plan is approved by the Council. The Council has directed the City Planning Commission to work with the community to develop streetscape plan within the next 12 months.

Buffalo Springs Bridge – The status of the bridge repair is that the bridge is now open and work is complete, with their entering their one-year warranty period starting in late October, 2018.

The project is funded by FEMA based on FEMA share of 75% of the actual contract price of the project.

A Disaster Relief Community Development Block Grant application for \$300,000 has been awarded and used that goes towards the city's 25% share of the bridge repair.

Land-Use Plan - A land-use plan is an overall broad – based view of how the land use in and around the city in the ETJ area is to be planned. It is not a zoning map although it is often used as a basis for zoning. The City Council approved the Plan.

Another reason to do this process is to plan for where low density versus high density residential properties may be developed in the city. The Planning Commission and Council have discussed a pre-planned determination of where in the city they would be with agreeable to low density development. By doing this pre-planning the Council and the developer has an idea about how the area should be developed rather than on a one by one application/determination basis.

Comprehensive Plan –

The City of Montgomery is holding a Comprehensive Plan meeting on Tuesday, June 4 at 6:00 PM at Montgomery City Hall. The City, in partnership with Texas A&M's Texas Target Communities program, is preparing a Comprehensive Plan. Walter Peacock, a community planning specialist with TAMU's Texas Target Communities program, will be facilitating the session.

Town Creek Addition Section Three - This is the new 48 lot addition immediately west of Town Creek Apartments off Emma's Way. Style Craft builders are also building in Section Three.

Terra Vista Addition - This is the new 36 lot addition immediately south of Summit Business Park on FM 1097. There are now 20 housing starts in the subdivision.

Rezoning of Property inside the City - This is an action of the Planning and Zoning Commission to rezone five properties inside the city, primarily on the S H105, where the current zoning does not fit the current need for the development of the property. The Planning Commission has an idea of what they intend to rezone, but they are going to invite the property owners of the properties being considered to a discussion before starting the formal public hearing process. This discussion is planned for their March meeting. Then determining on the result of those discussions, the Commission will decide which properties to actually initiate rezoning.

Emma's Way –Extension to Lone Star Pkwy. -- The thought here is for Emma's Way some point the city and the MISD pay for the balance of the extension all the way up to Lone Star Pkwy. The cost of the city/school extension is estimated at \$600,000.

The discussion up to now has been that the school and the city would roughly split that \$600,000. With the basis for that being that Emma's Way will serve the football stadium facility running alongside their Western boundary. The City's desire is simply to get a through street direct from the high school to encourage traffic to Lone Star Pkwy. to relieve some traffic on State Highway 105. The discussions for this project will come back up now that extension of Emma's Way, has completed in January, 2019, for the purpose of serving Town Creek Subdivision Section III.

Shanon Salsbury New Office at Waterstone – Shanon is in a new office building for his insurance office with two additional lease spaces. Mr. Salsbury is immediately north and east of the Buffalo Springs Bridge on Buffalo Springs Road. His long-range plan, he told me, calls for another strip office space center on the north side of Buffalo Spring Road across from his new office.

Texas Water Development Board – Funding -- The TWDB has provided funding of 2.8 million for water and sewer work. The projects are-- for water; connection of the 12-inch line north of Clepper to the 12-inch line immediately west of Cedar Brake Park (which should help the water pressure on the western side of the city and eliminates the six-inch bottleneck in the system), improvements at Well #3 the Catahoula well (that we think will increase production about 25%). For sewer: Lift Station #1 upgrades (all the sewage in the city goes through this station which is already operating beyond design capacity), Lift Station #3 Force Main Reroute will serve to eliminate the need for another lift station and secures capacity in the system). All of the projects are in engineering design now, with a start date for completion of the design and construction to be begin mid-April.

General Land Office possible grant – In late May, 2017 we found out about a 22 million dollar grant that had been offered to Montgomery County from the Texas General Land Office (GLO) for flood related damages. Montgomery was one of six Counties in the state that the GLO had selected because of having the worse flood damages in the past two years. The County organized the GLO offer within the county for how the funds should be allocated. The County, after discussing with the cities in the County and two or three housing groups in the County, decided that the funds should be distributed based on the amount of FEMA damages and the amount of low income in the area involved. The City of Montgomery had the most damage of any city in the County.

As such Montgomery was “allocated” \$2.2 million dollars of GLO dollars. This “allocation” is not a grant, the actual application is made by the City to the GLO, but the money set aside for the City so long as we apply for “correct” type of projects. The GLO grant funds can be used for drainage, water and sewer, generators, and the 25% City match monies spent already on FEMA projects.

The GLO application is prepared and was filed at the end of March, 2018. I was notified this week that **the City will receive a contract in mid-June**. GrantWorks will be the grant writer and administrator of the grant and Jones/Carter is the engineer on the project.

Sales Tax – Montgomery is very much a “receiver” city for sales tax--- by that I mean that the sales tax collected in the city is very much provided by those who live outside the City. To show you in figures how that is: take the \$2,298,289 collected for the 2017-2018 Fiscal Year. That amount of collections equals \$114,914,450 in sales inside our four-square miles with our 1,200 population and our approximate 88 physical businesses in the City. But, of course, what is the case is that the City’s conservative figure of a 60,000 population trade area for the City, plus the approximate 1,500 out of city taxpayers through internet purchases that pay small to large amounts based on sales delivered/accepted inside the City greatly increase the gross sales amount produced by the 1200 City residents.

This increase in sales tax amount helps to pay for the growth in the city required by increased activity. Namely, the city has added one police officer for each of the last three years, and one public works person for each of the last three years and two administrative persons also during the last three years.

Sales Tax Rebate – The City Council agreed to a 380 Agreement for the Kroger area which calls for a rebate of the entirety of the one half of one cent MEDC sales tax, and .55% of the sales tax collected in the Kroger shopping center area. The Kroger shopping center area includes the Kroger store, the businesses to the west of the Kroger store, and the pad sites east of Gardner Drive (the street west of the Kroger center), but does not include the fuel center. All the property taxes collected from the same area is also rebated. For the 2017 – 2018 fiscal year the sales tax rebate of MEDC was \$52,833, and for the City was \$64,600 with the property taxes being rebated of \$43,118.

CITY OF MONTGOMERY SALES TAX

| Fiscal Year | October | November | December | January | February | March | April | May | June | July | August | September | Total |
|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| 2019 | 141,162.59 | 303,708.43 | 192,957.46 | 141,238.00 | 289,215.00 | 152,608.00 | 165,517.00 | 283,050.00 | Will | 0.00 | 0.00 | 0.00 | 1,669,456.48 |
| 2018 | 125,361.52 | 253,111.48 | 179,308.88 | 174,487.10 | 268,635.98 | 149,964.30 | 144,205.61 | 267,397.74 | 151,071.81 | 153,156.83 | 304,422.57 | 127,165.52 | 2,298,289.34 |
| 2017 | 94,652.13 | 207,611.58 | 134,305.68 | 145,488.55 | 204,006.24 | 139,225.65 | 123,234.01 | 182,757.15 | 153,336.53 | 132,394.32 | 190,648.43 | 181,625.33 | 1,889,285.60 |
| 2016 | 118,139.09 | 187,778.09 | 52,683.59 | 236,764.92 | 200,985.71 | 125,057.26 | 130,098.69 | 184,955.47 | 149,145.60 | 134,137.44 | 202,380.82 | 144,903.50 | 1,867,030.18 |
| 2015 | 132,291.80 | 166,880.00 | 128,470.68 | 107,238.81 | 184,183.00 | 108,979.46 | 140,275.54 | 168,012.24 | 145,485.26 | 118,871.30 | 164,234.26 | 135,004.07 | 1,699,926.42 |
| 2014 | 117,219.70 | 129,854.70 | 132,548.20 | 129,248.00 | 259,993.95 | 64,083.86 | 104,356.47 | 159,966.95 | 133,026.37 | 110,188.27 | 187,363.72 | 160,524.07 | 1,688,374.26 |
| 2013 | 94,399.86 | 152,797.88 | 125,252.31 | 114,935.59 | 182,499.74 | 110,162.80 | 116,374.93 | 174,982.13 | 135,704.57 | 140,092.14 | 188,704.14 | 189,403.11 | 1,725,309.20 |
| 2012 | 66,191.21 | 119,206.99 | 88,548.10 | 104,267.33 | 143,666.75 | 78,348.96 | 95,743.30 | 146,558.47 | 130,712.15 | 117,230.68 | 140,536.67 | 89,077.76 | 1,320,088.37 |
| 2011 | 97,092.27 | 122,908.84 | 81,851.80 | 82,197.80 | 144,122.77 | 85,543.72 | 79,390.20 | 140,236.41 | 101,274.92 | 96,574.66 | 116,445.82 | 76,525.47 | 1,224,164.68 |
| 2010 | 71,323.52 | 123,165.52 | 191,886.13 | 86,077.15 | 176,540.27 | 72,946.97 | 61,136.76 | 151,577.70 | 102,272.58 | 81,412.16 | 129,815.04 | 86,170.48 | 1,334,324.28 |
| 2009 | 61,921.86 | 134,439.91 | 115,692.52 | 117,103.70 | 173,515.17 | 79,619.28 | 84,594.36 | 123,138.23 | 99,458.28 | 107,616.96 | 115,866.14 | 76,874.07 | 1,289,840.48 |
| 2008 | 89,277.50 | 139,100.34 | 109,487.59 | 86,253.85 | 145,150.38 | 96,932.30 | 88,797.53 | 111,954.37 | 102,027.97 | 93,109.22 | 135,755.33 | 117,575.45 | 1,315,421.83 |

SALES TAX SPLIT

| Fiscal Year | MEDC | CITY | TOTAL |
|-------------|---------|-----------|-----------|
| 2019 | 417,364 | 1,252,092 | 1,669,456 |
| 2018 | 574,572 | 1,723,717 | 2,298,289 |
| 2017 | 472,321 | 1,416,964 | 1,889,286 |
| 2016 | 466,758 | 1,400,273 | 1,867,030 |
| 2015 | 424,982 | 1,274,945 | 1,699,926 |
| 2014 | 422,094 | 1,266,281 | 1,688,374 |
| 2013 | 431,327 | 1,293,982 | 1,725,309 |
| 2012 | 330,022 | 990,066 | 1,320,088 |
| 2011 | 306,041 | 918,124 | 1,224,165 |
| 2010 | 333,581 | 1,000,743 | 1,334,324 |
| 2009 | 322,460 | 967,380 | 1,289,840 |
| 2008 | 328,855 | 986,566 | 1,315,422 |

SALES TAX IN LIEU OF PROPERTY TAX

| Fiscal Year | 1/2 Cent Sales Tax | Tax Rate Reduction * |
|-------------|--------------------|----------------------|
| 2019 | Sure | |
| 2018 | 574,572 | 23.55 |
| 2017 | 472,321 | 19.36 |
| 2016 | 466,758 | 19.13 |
| 2015 | 424,982 | 17.42 |
| 2014 | 422,094 | 17.30 |
| 2013 | 461,327 | 18.91 |
| 2012 | 330,022 | 13.53 |
| 2011 | 306,041 | 12.55 |
| 2010 | 333,581 | 13.67 |
| 2009 | 322,460 | 13.22 |
| 2008 | 328,855 | 13.35 |

* using .0041 tax rate x2019 tax rate is .0040

Sales Tax Split -- The City gets a total of .02 cents on each dollar spent. The MEDC is allocated 1/4th of the total collected. The City receives the remaining 3/4 of the total collected

So: One cent to City General Fund
 one-half cent to City General Fund as Property Tax Reduction
 one-half cent to Montgomery Economic Development Corp.
 Equals two cents total

Sales Tax in lieu of Property Tax - City voters in approx. 2005 voted to increase the sales tax one-half cent and to include that amount in the property tax calculation. The Tax Rate Reduction amount shown above is how many cents/\$100 value is saved by the one-half cent collected through sales tax. For instance, in 2018 the tax rate would have been .0041, plus .00 2355 cents for a total of .006455. This reduction will increase as sales tax increases. The .002355 is worth \$471. a year in property tax on a \$200,000 house.



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April 17, 2019

The Honorable Mayor and City Council
City of Montgomery
101 Old Plantersville Road
Montgomery, Texas 77316

Re: Engineering Report
Council Meeting: April 23, 2019
City of Montgomery

Dear Mayor and Council:

The following information summarizes our activities on your behalf since the March 26, 2019 Council Meeting:

Status of Previously Authorized Projects:

All projects discussed below are shown on the enclosed maps of active developments and capital projects.

a) Baja Road Water and Drainage Improvements (CDBG)

We sent a letter of intent to terminate the contract with Boretex, LLC on March 27th. Per the letter, the contractor was given 10 days to adequately address all deficiencies noted in the letter. We did not receive an adequate response from the contractor within the allotted time, so a notice of termination letter was sent to Boretex, LLC and Cincinnati Insurance Company, the contractor's bonding company, on April 9th. We are coordinating with the City's Attorney to provide additional information to the bonding company as it is requested.

b) Water Distribution System Analysis and Master Plan – CP No. 3 – Downtown and SH-105 Waterline Replacement

We are finalizing the construction plans to submit for TWDB review.

c) Water Distribution System Analysis and Master Plan – CP No. 9 - Water Plant No. 3 Improvements

We received TWDB approval on the Engineering Feasibility Report on April 12th. We plan to meet with the Technical Operations Review Committee ("TORC") on April 24th to discuss the design and project details.

d) Water Distribution System Analysis and Master Plan-CP No. 1, Water Plant No. 2 GST Backfill

As a reminder, this project will be rebid with the Water Plant No. 3 Improvements project.

e) Sanitary Sewer System Analysis and Master Plan – CP No. 3b – Lift Station No. 1 Replacement

We submitted construction plans and specifications to the TWDB for review. It is our understanding the categorical exclusion is in final review to be issued this week. The project is currently advertising for bid, and we plan to hold a pre-bid meeting on April 25th and receive bids at City Hall on May 2nd. We plan to present bids at your May 14th Council meeting.

- f) **Sanitary Sewer System Analysis and Master Plan – CP No. 10 – Lift Station No. 3 Force Main Re-Route**
As a reminder, this project is included in TWDB CWSRF loan. The design is substantially complete, has received TxDOT approval, and is under final internal review before undergoing TWDB review.
- g) **18" Gravity Sanitary Sewer Extension, Phase 2**
The project is currently advertising for bid, and we plan to hold a pre-bid meeting on April 25th and receive bids at City Hall on May 2nd. We plan to present bids at your May 14th Council meeting. As a reminder, this project is to be completed in conjunction with the Lift Station No. 1 Relocation project.
- h) **Baja Road Rehabilitation (FEMA)**
The project is temporarily on hold while alternative funding sources are evaluated to potentially contribute to the construction cost of the project.
- i) **Atkins Creek Water, Sanitary, and Storm Sewer Repairs (FEMA)**
The project is currently advertising for bid, and we plan to hold a pre-bid meeting on April 25th and receive bids at City Hall on May 2nd. We plan to present bids at your May 14th Council meeting. We are waiting for FEMA to issue the final Project Worksheet before construction can begin.
- j) **GLO Projects**
It is our understanding the General Land Office is prepared to send contracts to the City for execution this month. We will work with the City to prepare and submit all contracts upon receipt.

Existing and Upcoming Developments:

- a) **Feasibility Studies** – There are no active feasibility studies at this time.
- b) **Plan Reviews**
- i. **Exxon Eva Street** – We did not receive revised plans this month.
 - ii. **Wendy's (Haza Foods)** – We did not receive revised plans this month.
 - iii. **Best Donuts (Samdana Investments)** – We did not receive revised plans this month.
- c) **Plat Reviews** – There are no active plat reviews at this time.
- d) **Ongoing Construction** – There are no ongoing construction projects at this time.
- e) **One-Year Warranty Inspections**
- i. **Lift Station No. 14** – We are working with Public Works and Gulf Utilities to bring the lift station to the proper specifications with the funds deposited by the developer for the replacement pumps.

One-Year Warranty Inspections (cont.):

- ii. **Lake Creek Village, Section 3** – We conducted one-year warranty inspection for the public infrastructure on October 19, 2018. It is our understanding the Developer is working to address all punch list items. According to the Developer, the remaining punch list items will be addressed pending favorable weather.

Meetings and Ongoing Activities:

- a) **Lone Star Parkway Transportation Improvement Plan (TIP)** – We are working to schedule a meeting with the H-GAC to discuss the next steps to include the project on the TIP.
- b) **Weekly Operations Conference Call** – We continue hosting a biweekly conference call with representatives from Gulf Utility Service, Inc. and City Staff. Items of note discussed during the previous month included receiving estimates for repairs to Lift Station No. 14, updates on various warranty inspections, general updates on all active design and construction projects, and general operations of the City's water and sanitary sewer facilities.
- c) **Dobbin-Plantersville Water Supply Corporation** – We are continuing to coordinate with the Dobbin-Plantersville Water Supply Corporation ("DP") engineers to prepare a scope and cost estimate for the proposed emergency waterline interconnect.
- d) **Technical Operations Review Committee (TORC)** – We plan to meet with the TORC on April 24th to discuss the upcoming Water Plant No. 3 Improvements project and the proposed scope.

Please contact Katherine Vu or me if you have any questions.

Sincerely,



Chris Roznovsky, PE
Engineer for the City

CVR/kmv

K:\W5841\W5841-0900-00 General Consultation\Meeting Files>Status Reports\2019\Engineer's Report 4-23-19.docx

Enclosures:

Active Capital Projects Map

Active Developments Map

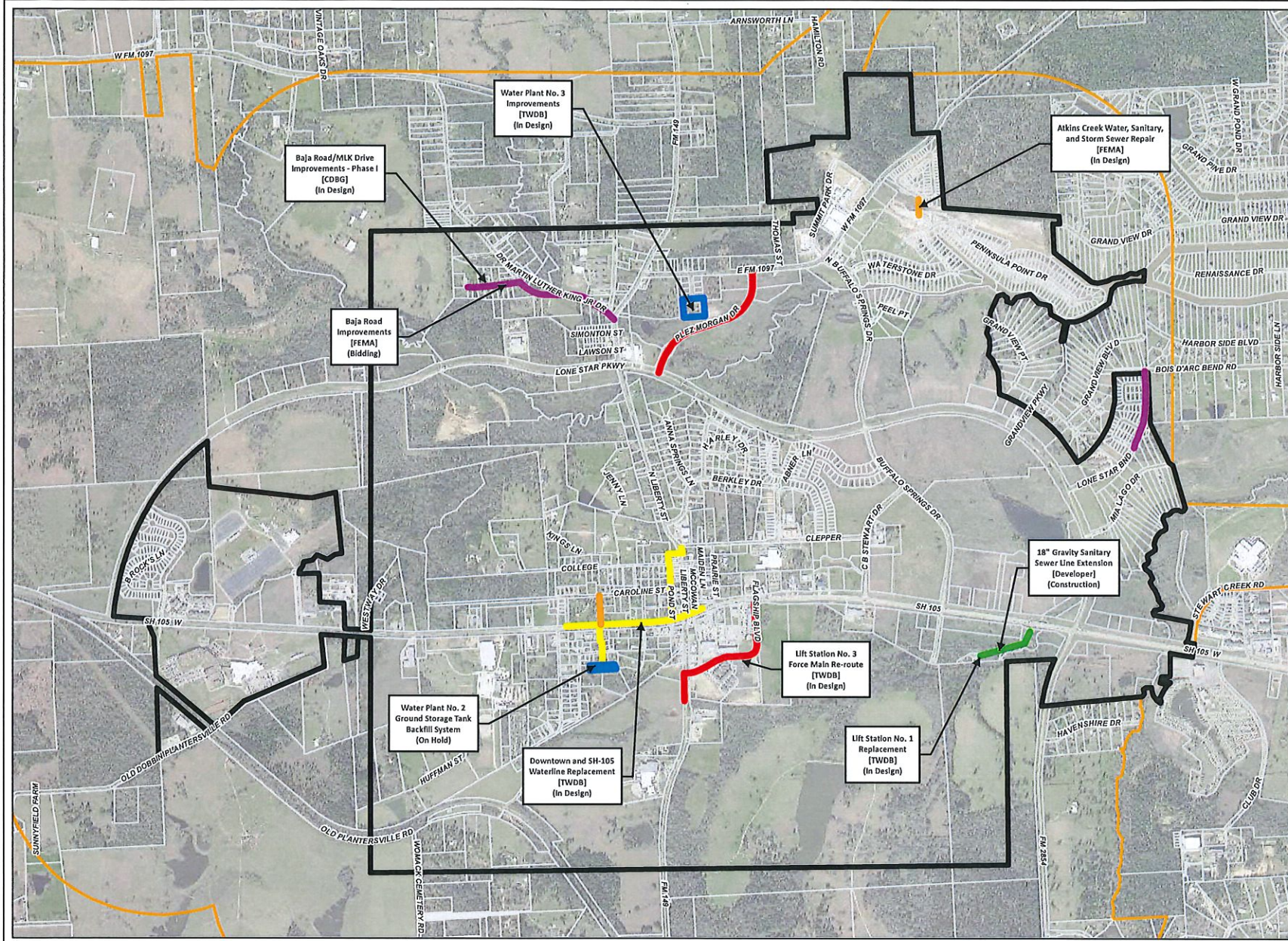
Cc (via email):

The Planning and Zoning Commission – City of Montgomery

Mr. Jack Yates – City of Montgomery, City Administrator

Ms. Susan Hensley – City of Montgomery, City Secretary

Mr. Larry Foerster – Darden, Fowler & Creighton, LLP, City Attorney

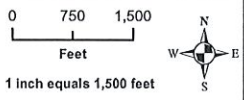


VICINITY MAP
Scale: 1 inch equals 20 miles

LEGEND

- City Limits
- City ETJ
- MCAD Parcels

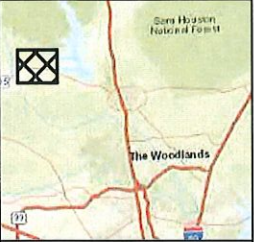
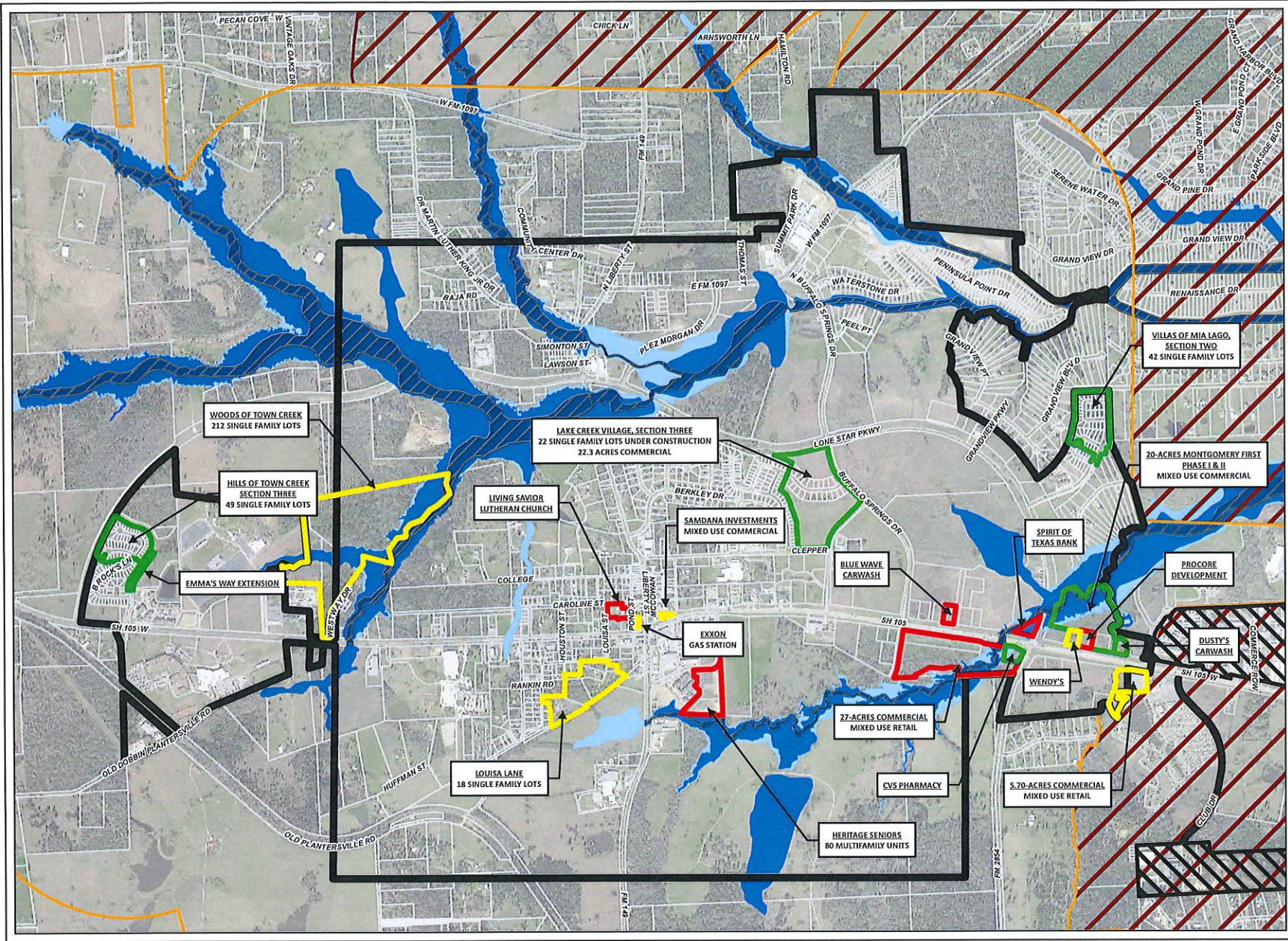
ACTIVE CAPITAL PROJECTS
(APRIL 2019)



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Date: 02/27/2019
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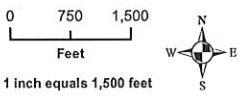


VICINITY MAP
Scale: 1 inch equals 20 miles

LEGEND

- Active Development (Phase)
 - Complete/Under Warranty
 - Under Construction
 - In Design
 - Planning/Feasibility
- City Limits
- Stanley Lake MUD
- City ETJ
- City of Conroe ETJ
- Floodway
- 100-year
- 500-year
- MCAD Parcels

ACTIVE DEVELOPMENTS (APRIL 2019)



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Work Plan Report

First 30 – 90 days

| Task | Activity | Status |
|---|-----------------|--|
| Meeting with Local Business Owners | BeanPunk Coffee | Meet with BeanPunk Coffee to discuss planning a Monday Night at their building. Leo is to check with the business owners about having the market in the atrium and provide market details. |
| | | |

Three - Five Months

| Task | Activity | Status |
|------------------------------|---------------------------|--|
| Social Media Channels | FB Postings and Activity. | <ul style="list-style-type: none"> • All events have also been included on EventBrite for more visibility. • Weekly Happenings Post – List of events happening in downtown Montgomery • Event postings have been created for most of the events scheduled for the summer. |

Six Months – One Year

| Task | Activity | Status |
|---|-------------------------------|--|
| <p>Marketing/Branding/Signature Events</p> | <p>Water Party</p> | <ul style="list-style-type: none"> • Based on the FB response to the event, invite a food truck vendor to participate. • Montgomery Soccer Club will be volunteering and will also have a goal and small obstacle course type game for the attendees to play. • Lake Creek and Montgomery HS National Honor Society will be volunteering. • Since the community building's grounds will not allow enough space for a scavenger hunt, will apply the funds to the inflatables line item to rent a 3rd inflatable. • Face Painter confirmed. |
| <p>Marketing/Branding/Signature Events</p> | <p>Texas Flag Celebration</p> | <ul style="list-style-type: none"> • Visited Food Truck Parks in Tomball and Houston and vendor packets about the event. • Visited Vendors Shows in Houston and left information with vendors about the event. • Mailed vendor packets to the vendors who contacted me for LSFFTF. • Working with Bea to find additional entertainment that will participate at little to no cost. |

| | | |
|--|------------------------|--|
| Event Sponsorship Opportunities | Texas Flag Celebration | <ul style="list-style-type: none">• Meet with Jack with Lone Star Beer. As the event is more family friendly, he has reached out to nonalcoholic products to include in this sponsorship. As those beverages are nonalcoholic and would not require a TABC license, he is open to working with local organizations to sell those beverages.• Re: event marketing: Discussed the merchandising and branding items they can provide at the event. Informed that we may be working with a full service alcohol catering company and would be able to have LSB branded Beer Garden, but can create a space for LSB branding.• Re: Marketing and Promotion: Once he finalizes the products included, we will design/ promotional materials to be displayed in retail locations. |
|--|------------------------|--|